

AXA Framlington Japan Fund

For the six months ended 15 August 2013

Investment objective and policy

To achieve maximum capital growth through investment principally in Japan, but also in other areas of the Far East. Investment is made in companies which, in the Manager's opinion, show above average profitability, management quality and growth.

Results

Unit Class	Unit Type	Price at 15.02.13 (p)	Price at 15.08.13 (p)	Unit Class Performance	Comparative Benchmark
R	Acc*	239.6	296.1	23.58%	18.14%^
Z	Acc*	103.0	127.9	24.17%	18.14%^
R	Inc**	235.6	290.6	23.34%	16.90%^

* Acc units include net income reinvested, total return. ** Inc units do not include net income reinvested, capital return dividends excluded. ^ FTSE Japan (Total Return) Index, ^^ FTSE Japan (Capital Return) Index, please note that the comparative benchmarks changed from the Topix Index to FTSE Japan after the merger with AXA Framlington Japan Smaller Companies Fund due to the enhanced suitability of the Index compared to the Fund. Past performance is not a guide to future returns. Source of all performance data: AXA Investment Managers and Lipper, bid to bid, to 15 August 2013.

Review

An important change was made to the Fund during the period under review. The Fund merged with the AXA Framlington Japan Smaller Companies Fund on 12 April 2013. The previous portfolio had a 10% exposure to smaller companies via an investment in the AXA Framlington Japan Smaller Companies Fund, but the new portfolio directly holds many small cap stocks. Currently, 60% of the total Fund assets are invested in smaller companies. This gives the Fund a great advantage in our opinion, as many structural growth businesses in Japan are smaller companies and we have the expertise in investing in under-researched stocks, making the most of our direct contact with management.

Japanese equities rallied strongly after Prime Minister Shinzo Abe's new LDP (Liberal Democratic Party) government was elected in autumn last year. Abe promised that the three arrows of 'Abenomics' will revive the Japanese economy: 1) Bold monetary measures to dispel deflation 2) Fiscal spending to promote investment 3) Structural reform to generate growth.

The yen, having been extremely strong over recent years, severely depressing the earnings of major manufacturers, started weakening in autumn 2012. This has already improved manufacturers' global competitiveness. Recently announced economic statistics are also encouraging. July Consumer Price Inflation (CPI) was up 0.7% year-on-year, with the unemployment ratio down to 3.8%, and industrial production up 3.2% month-on-month. The average summer bonuses at manufacturers and non-manufacturers were up 5.4% and 3.7% respectively, which were the highest numbers in 22 years.

The consensus forecast for Topix 12-month forward earnings per share (EPS) shows a sharp upward trend. Japanese stocks went up +48% since the beginning of the year to May, but have since come back about 10% during the summer. Valuations are back to very attractive levels in our view.

During the period under review, the Fund outperformed the comparative FTSE Japan Index benchmark by more than +5%. Many positive contributors to this good performance were smaller companies.

AXA Framlington is a leading equity expertise within the AXA Investment Managers Group, with teams in London and Paris.

We are primarily a bottom-up, active equity manager. This fundamental approach to stock selection, combined with the experience of our team of fund managers, focuses on delivering long-term investment performance for our clients.

We offer competitive products backed up with excellent service. Our structure and size creates a dynamic environment for our fund managers. This encourages a high level of personal responsibility in which both individual flair and teamwork flourish. AXA Framlington funds under management exceed £52.3 billion (as at 31 July 2013).

Outlook

We are very positive about Japan's outlook. The yen's depreciation is most likely to continue. Similarly, manufacturers earnings will keep recovering in our view, which will, in turn, raise wages and private consumption, which account for almost 60% of the economy. Japan is now finally emerging from the deflation which has dogged the economy over the last 15 years. During these 15 years, Japanese corporations have been transforming themselves into leaner operations. Productivity has improved significantly and cash levels are at a record high. Indeed, with a weaker yen, Japanese manufacturers' global competitiveness, which once appeared to be diminishing against other Asian competitors, particularly Korea, has already started looking much more solid. This is a trend that we see as likely to continue.

At present in Japan, there are concerns over the scheduled rise in consumption tax (similar to VAT) next spring from the current 5% to 8%. Some argue that this could frustrate the current early-stage economic recovery. However, the majority believe this is necessary to support long-term confidence in the fiscal health of the Japanese government.

Japanese companies' earnings growth in the fiscal years 2013 and 2014 are the highest amongst the major economies. We believe that Japanese equities continue to attract global investors' attention.

We are also positive about Japan over the longer term, as there are many growth areas. Recently, many companies which were believed to be purely domestic businesses have started establishing a presence in overseas markets. Examples of such companies are Kadokawa, a publisher, and Kameda Seika, a leading maker of rice crackers. An ageing population is often talked about as a negative factor but this is also creating a number of high-quality growth businesses such as Message and Tsukui. There are companies that are growing steadily in mature sectors by taking market share, such as Komeri, an operator of home centres, and Ain Pharmaciez. A number of innovative internet businesses, run by young entrepreneurs, are also doing well. Cookpad, the operator of the most successful recipe site, which more than 80% of Japanese women in their 20s and 30s access regularly, is becoming an essential marketing platform for many retailers and food companies.

The Fund continues to invest in growth businesses, which have clear strengths and good management, and which we view as being under-valued. There are many such businesses in Japan.

Chisako Hardie

9 September 2013

All performance data source: AXA Investment Managers and Lipper to 15 August 2013.

AXA Framlington Japan Fund

For the six months ended 15 August 2013

Risk and reward profile

The Fund ordinarily invests at least 80% of the Fund's investment in Japan, but also has the power to invest in other areas of the Far East. Consequently, changes in exchange rates will affect the value of investments overseas. Investment in smaller companies and newer markets offers the possibility of higher returns but may also involve a higher degree of risk. As the Fund mainly invests in a single country it has the potential to be more volatile than a fund which invests in a more diversified portfolio of equities across a range of countries. The value of investments and the revenue from them is not guaranteed and can go down as well as up.

Lower risk **Higher risk**

← Potentially lower reward Potentially higher reward →

1	2	3	4	5	6	7
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The risk category is calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The risk category shown is not guaranteed and may shift over time. The lowest category does not mean risk free.

Why is this Fund in this category?

The capital of the Fund is not guaranteed. The Fund is invested in financial markets and uses techniques and instruments which may be subject to sudden and significant variation, which may result in substantial gains or losses.

FUND FACTS

Lead Fund manager	Chisako Hardie
Sector	IMA Japan
Comparative Benchmark	FTSE Japan CR
Launch date	29 Feb 1984
Fund size at 15 Aug 2013	£45m
Fund size at 15 Feb 2013	£34m
Minimum investments	
Lump sum	R: £1,000 Z: £100,000
Minimum subscription	R: £100 / Z: £5,000
Net Yield	
R Inc	0.28%
R Acc	0.28%
Z Acc*	1.03%
Unit type	Inc/Acc
Number of stocks	90
Initial charge	R: 5.25% / Z: 0.00%
Annual charge	R: 1.50% / Z: 0.75%
Ongoing charges	
R Inc	1.62%
R Acc	1.62%
Z Acc*	0.90%
Accounting dates (interim)	15 Aug
Accounting dates (annual)	15 Feb
Distribution dates (annual)	15 Apr

All data, source: AXA Investment Managers as at 15 August 2013.
* Launched 16 April 2012.

Top five purchases

For the period ended 15 August 2013

Ain Pharmaciez
ENDO Lighting
Toyota Motor
Outsourcing
Gulliver International

Top five sales

For the period ended 15 August 2013

AXA Framlington Japan Smaller Companies Fund
Mitsubishi Heavy Industries
Nissan Motor
Mitsubishi UFJ Financial
Aisin Seiki

AXA Framlington Japan Fund

For the six months ended 15 August 2013

Five year discrete annual performance %

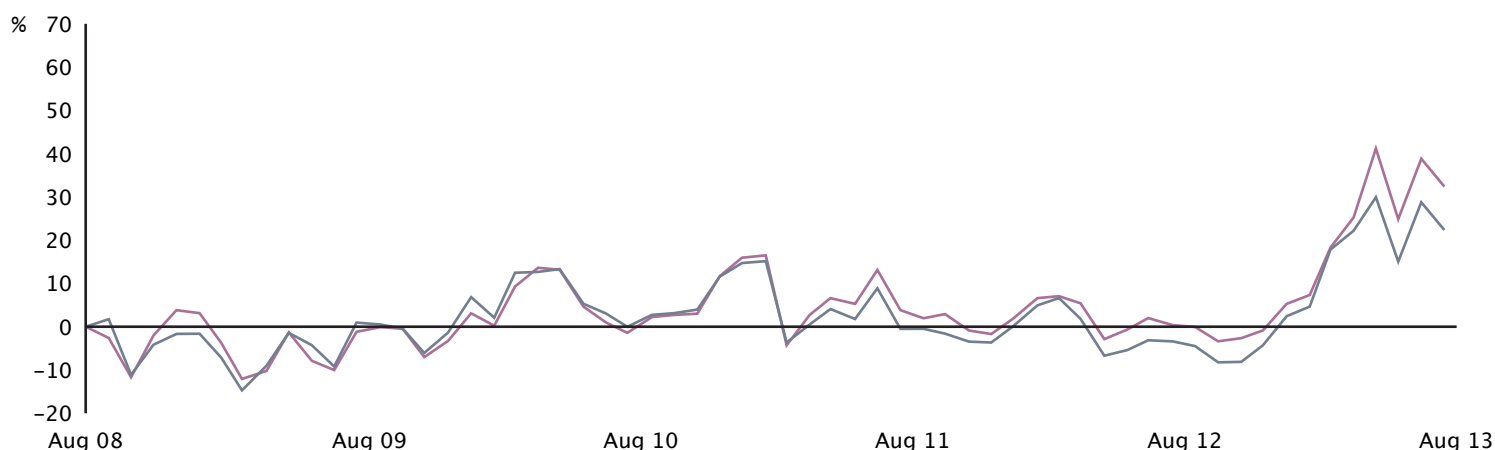
Aug 08 to Aug 09	Aug 09 to Aug 10	Aug 10 to Aug 11	Aug 11 to Aug 12	Aug 12 to Aug 13
-1.18%	-0.23%	5.31%	-3.34%	31.92%

Past performance is not a guide to future returns. Sources: AXA Investment Managers and Lipper as at 15 August 2013. Basis: Bid to bid, with no revenue reinvested, net of fees in GBP. Performance is representative of R Inc class.

Cumulative fund performance versus comparative benchmark

as at 15 August 2013

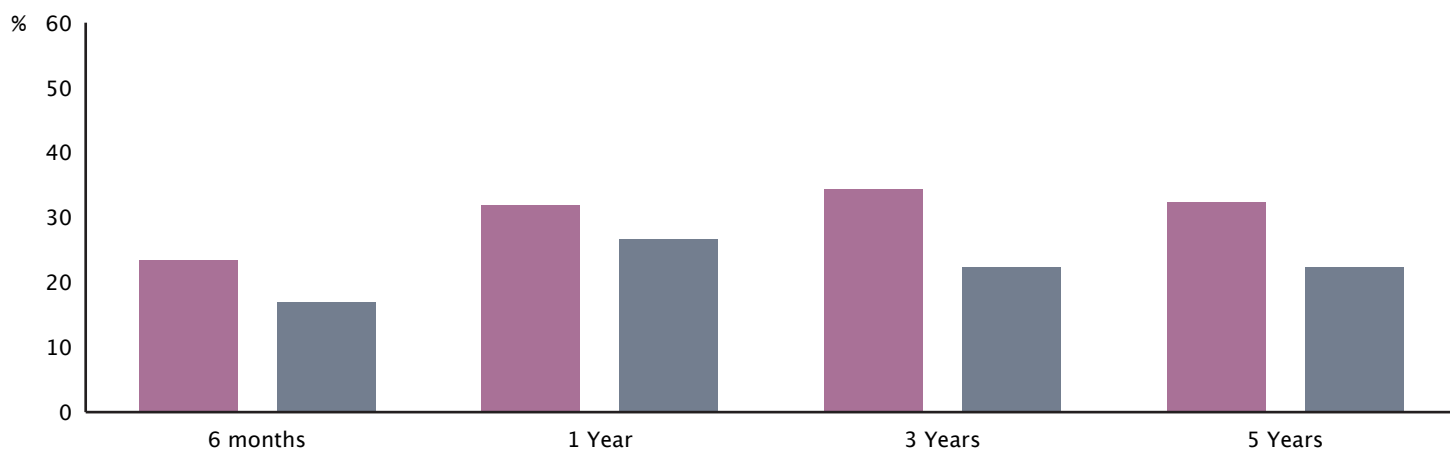
■ AXA Framlington Japan Fund ■ FTSE Japan CR



Past performance is not a guide to future returns. Sources: AXA Investment Managers and Lipper as at 15 August 2013. Basis: Bid to bid, with no revenue reinvested, net of fees in GBP. Performance is representative of R Inc class.

as at 15 August 2013

■ AXA Framlington Japan Fund ■ FTSE Japan CR



Past performance is not a guide to future returns. Sources: AXA Investment Managers and Lipper as at 15 August 2013. Basis: Bid to bid, with no revenue reinvested, net of fees in GBP. Performance is representative of R Inc class.

AXA Framlington Japan Fund

For the six months ended 15 August 2013

Summary of historic prices and distributions

Year	Unit class	Unit type	Highest offer price (pence)	Lowest bid price (pence)	Total net distribution per unit (pence)
2008	R	Inc	274.9	182.7	Nil
2008	R	Acc	277.7	184.5	Nil
2009	R	Inc	252.8	190.6	0.518
2009	R	Acc	255.4	192.9	0.523
2010	R	Inc	272.0	211.7	0.120
2010	R	Acc	275.6	214.3	0.121
2011	R	Inc	273.6	210.1	0.278
2011	R	Acc	277.4	213.0	0.281
2012	R	Inc	251.5	211.5	0.592
2012	R	Acc	255.7	215.1	0.610
2012 #	Z	Acc	99.76	91.94	Nil
2013 * +	R	Inc	336.3	218.8	0.829
2013 * +	R	Acc	342.7	222.5	0.852
2013 * +	Z	Acc	140.3	95.49	0.412

Highest offer and lowest bid price quoted at any time in the calendar year and * to 15 August 2013.

+ Distribution to 15 April 2013. # Launched 16 April 2012

Net asset value record

Unit class	Unit type	Net asset value per unit as at 15 Aug 2013 (pence)	Net asset value per unit as at 15 Feb 2013 (pence)
R	Inc	291.1	235.2
R	Acc	296.6	240.0
Z #	Acc	128.1	103.0

Please note, that the NAV prices shown above are different from the results prices as at 15.08.13. The differences are due to the fund performance tables taking the quoted valuation prices on the last day of the period, whereas the NAV table above is showing prices including any accounting adjustments at the end of the period (for example, notional dealing charges are removed). # Launched 16 April 2012.

ADDITIONAL INFORMATION

Report and accounts

The purpose of sending this Short Report for the Fund is to give you a summary of how the Fund has performed during the accounting period in accordance with the Collective Investment Schemes Sourcebook (COLL) Rules. If you would like any additional information about the Fund you can request a copy of the more detailed long form accounts for the Fund. For a copy of this, please contact our dedicated customer services team on 0845 777 5511.

AXA Framlington Japan Fund

For the six months ended 15 August 2013

Top ten holdings as at 15 August 2013

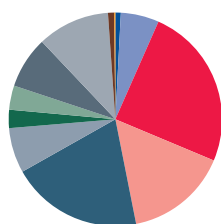
Company	Sector	%
Toyota Motor	Consumer Goods	1.64
Softbank	Telecommunications	1.56
Sumitomo Mitsui Financial	Financials	1.56
Hulic	Real Estate	1.53
Tokio Marine	Financials	1.43
M3	Consumer Services	1.42
Taisei	Industrials	1.36
Asahi Kasei	Basic Materials	1.35
Kadokawa	Consumer Services	1.34
Otsuka	Technology	1.34

Top ten holdings as at 15 February 2013

Company	Sector	%
AXA Framlington Japan Smaller Companies Fund	United Kingdom/Authorised Unit Trusts	9.35
Nitto Denko	Basic Materials	2.45
Sumitomo Mitsui Financial	Financials	2.35
Mitsubishi UFJ Financial	Financials	2.33
Bridgestone	Consumer Goods	2.27
Nissan Motor	Consumer Goods	2.25
Aisin Seiki	Consumer Goods	2.11
Hulic	Real Estate	2.07
Mazda Motor	Consumer Goods	2.00
Mitsubishi Heavy Industries	Industrials	1.99

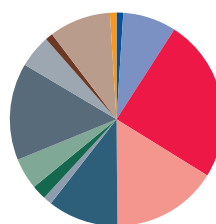
Portfolio breakdown

as at 15 August 2013



Sector	%
Oil & Gas	0.82
Basic Materials	5.80
Industrials	24.69
Consumer Goods	15.57
Consumer Services	19.95
Health Care	6.84
Telecommunications	2.77
Real Estate	3.66
Financials	7.83
Technology	10.96
Utilities	0.93
United Kingdom	0.00
Net Current Assets	0.18

as at 15 February 2013



Sector	%
Oil & Gas	1.01
Basic Materials	8.10
Industrials	24.71
Consumer Goods	16.05
Consumer Services	10.68
Health Care	1.32
Telecommunications	2.20
Real Estate	4.75
Financials	14.71
Technology	4.99
Utilities	1.14
United Kingdom	9.35
Net Current Assets	0.99

All data, source: AXA Investment Managers

AXA Framlington Japan Fund

For the six months ended 15 August 2013

Important information

Authorised Fund Manager / Investment Manager

AXA Investment Managers UK Ltd
7 Newgate Street
London EC1A 7NX

Authorised and regulated by the Financial Conduct Authority (formerly the Financial Services Authority). Member of the IMA.

Trustee

National Westminster Bank plc
Trustee and Depositary Services
Younger Building
1st Floor
3 Redheughs Avenue
Edinburgh, EH12 9RH

Authorised and regulated by the Financial Conduct Authority (formerly the Financial Services Authority).

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Our lines are open Monday to Friday between 9am and 5:30pm

Independent auditor

Ernst & Young LLP
Ten George Street
Edinburgh, EH2 2DZ

Registrar

Unit Trust Registrars
AXA Investment Managers UK Ltd
7 Newgate Street
London EC1A 7NX

Authorised and regulated by the Financial Conduct Authority (formerly the Financial Services Authority).

For more information on any AXA Framlington unit trust please contact us via our website or telephone number below.

Copies of the latest Manager's Report (long form) and Prospectus are available free of charge from the administration office: PO Box 10908, Chelmsford, CM99 2UT.

Telephone calls may be recorded or monitored for quality assurance purposes.

0845 777 5511

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All data sources: AXA Investment Managers unless otherwise stated.